

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

**BHR3014 – INTERNATIONAL HUMAN RESOURCE
MANAGEMENT**
(All sections / Groups)

3rd March 2016
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages with 5 Questions only.
2. Attempt **FOUR (4)** out of **FIVE (5)** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

BASF SE is the largest chemical producer in the world and is headquartered in Ludwigshafen, Germany. The BASF Group comprises subsidiaries and joint ventures in more than 80 countries and operates six integrated production sites and 390 other production sites in Europe, Asia, Australia, Americas, and Africa. Its headquarters is located in Ludwigshafen am Rhein (Rhineland-Palatinate, Germany). BASF has customers in over 200 countries and supplies products to a wide variety of industries. Despite its size and global presence, BASF has received relatively little public attention since abandoning its customer product lines in the 1990s.

At the end of 2014, the company employed more than 113000 people, with over 53,200 in Germany alone. In 2014, BASF posted sales of €74.3 billion and income from operations before special items of about €7.2 billion. The company is currently expanding its international activities with a particular focus on Asia. Between 1990 and 2005, the company invested €5.6 billion in Asia, for example in sites near Nanjing and Shanghai, China, and Mangalore in India. BASF is listed on the Frankfurt Stock Exchange, London Stock Exchange, Zurich Stock Exchange and the New York Stock Exchange.

The company has planned to recruit engineers, and scientists like chemists and physicists. The top management wants to recruit the best personnel from any country. This company is taking a global approach to its operation, recognising each part (subsidiaries and headquarters) making a unique continuation with its unique competence. It is accompanied by a world-wide integrated business and nationality is ignored in favour of ability.

- a) What is the name of staffing policy of this company? (5 marks)
- b) Explain the **FOUR (4)** advantages and **SIX (6)** disadvantages of this policy. (20 marks)

(Total: 25 marks)

Continued...

QUESTION 2

ABB (ASEA Brown Boveri) is a multinational corporation headquartered in Zurich, Switzerland, operating mainly in robotics and the power and automation technology areas. It is ranked 158th in the Forbes Ranking (2013). ABB is one of the largest engineering companies as well as one of the largest conglomerates in the world. ABB has operations in around 100 countries, with approximately 140000 employees in October 2015, and reported global revenue of \$39.8 billion for 2014.

ABB is traded on the six Swiss Exchange in Zurich, Nasdaq Stockholm and the New York Stock Exchange in the United States. ABB's Indian unit, ABB India Limited, is traded on the National Stock Exchange of India and on the Bombay Stock Exchange. The Indian Subsidiary of ABB has a market capitalisation of over \$4 billion.

This company started its new subsidiary in Thailand. The company has plans to introduce international compensation program for its expatriate employees. The corporate headquarters has decided to implement going rate approach in international compensation.

- a) What are the components of international compensation? (8 marks)

- b) Explain the going rate approach to compensation along with advantages and disadvantages. (17 marks)

(Total: 25 marks)

QUESTION 3

- a) Discuss the reasons for using international assignment. (12 marks)

- b) Explain the duration and the types of international assignment. (13 marks)

(Total: 25 marks)

Continued...

QUESTION 4

a) What are the differences between domestic HRM and international HRM?
(12 marks)

b) What are the major issues that a company should consider before going international?
(13 marks)

(Total: 25 marks)

QUESTION 5

Globalisation increase as companies expand their operations in a number of countries, employing an increasingly global workforce. How can a global company manage the inevitable conflicts that will arise among individuals from different religious, racial, ethnic, and national groups who must work together within firms how can these conflicts be overcome to create a productive work environment?

(Total: 25 marks)

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